

job of this Congress. We should not be rolled by our Wall Street exec who is masquerading as Secretary of the Treasury.

#### BAILING OUT WALL STREET

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

Mr. STEARNS. Mr. Speaker, it is also with great concern that I come before my colleagues to address a financial crisis of epic proportions.

Our Federal Government has taken drastic measures mainly in the form of a taxpayer-funded bailout in an attempt to put a stop to the complete deterioration of our financial system.

Just this weekend, the administration composed a comprehensive bailout to relieve private sector financial institutions and banks of their toxic mortgage assets to the tune of 700 billion taxpayer-backed dollars.

This plan increases our excessively high national debt to \$11.3 trillion while also allowing foreign banks, which hold U.S. mortgage debt, to benefit from the billions provided by this bailout.

This plan constitutes the largest government bailout in history, yet it does nothing to protect the taxpayers. The Secretary of Treasury will have unlimited authority to purchase the most toxic of assets from any number of solvent, private sector financial institutions.

Furthermore, this plan comes in the wake of last week's \$85 billion bailout of major insurance company American International Group and the Treasury's \$200 billion bailout of out-of-control GSES Fannie Mae and Freddie Mac.

Mr. Speaker, these bailouts come at a great price and expose American taxpayers to vast financial risk. Through these bailouts, our Federal Government is effectively risking hard-earned taxpayers' dollars to protect private sector companies that utilized reckless investment strategies with little regard to the consequences. Clearly, our financial and regulatory structures have failed us, and now the looming question on everybody's mind is, who is next?

Mr. Speaker, bailout after bailout is not a strategy, and it is certainly not a sustainable cure to our financial ills. These bailouts are an assault on American capitalism and have introduced a large degree of financial hazard into our economic system.

As an elected official, I am worried about this weekend's comprehensive bailout plan that gives the Secretary of Treasury unprecedented authority and virtually no oversight, aside from having to submit semiannual reports to Congress. This is unacceptable, and we must do something to protect taxpayers before adjourning this Congress.

Several years ago I became concerned with the financial picture of both Fannie Mae and Freddie Mac, when as a member of the oversight sub-

committee of the House Energy and Commerce Committee, I participated in the Enron hearings, and learned of the fraud and abuses perpetrated through accounting procedures. Moreover, I heard how Freddie Mac had also misapplied the Financial Accounting Standard Board's (FASB) standards for derivatives and hedging in its financial statement.

In 2003, as Chairman of the Commerce, Trade, and Consumer Protection Subcommittee, I held hearings on FASB accounting standards, including a hearing on Freddie Mac's fraudulent accounting practices. I planned on holding additional hearings on Freddie Mac's restatement, and developing legislation on accounting standards when jurisdiction over FASB was suddenly stripped away from my subcommittee and transferred to the Financial Services committee—seemingly the result of intensive lobbying efforts on Freddie's part.

I firmly believe, my colleagues, we need to establish congressional oversight of the Treasury, perhaps in the form of a commission that can monitor the transfer of this money, so that we may have better accountability and transparency as the government proceeds in bailing out company after company.

Additionally, we need better regulatory structures, and we should institute immediate controls to prevent massive short-selling of stocks which only further corrodes the market. And, further, we must ensure that the CEOs of these solvent, private companies do not walk away with millions of dollars in severance packages at the expense of taxpayers. Why not give taxpayers warrants for the upside in these companies that are being bailed out by taxpayers so that they benefit from this sacrifice? Unfortunately, this plan would put taxpayers at a risk for losses that belong to those companies that recklessly sought profits—profits for the stockholders and executives through dividends, salaries, bonuses and presumed stock appreciation.

I stress to my colleagues today, this is not a case of partisan politics. Our constituents' 401(k)s are at risk. The nationalization of private assets is inherently un-American. As free enterprising Americans, we need to let our markets determine the winners and the losers, not the United States Treasury.

Economists say we are in the midst of the greatest financial crisis since the 1930s, and yet the Democratic leadership intends on ending this 110th Congress on Friday.

Mr. Speaker, we have more work to do. We should not adjourn this Congress until we have a set of real solutions to work with, and these solutions should not involve risking any additional taxpayer dollars. I firmly believe that our Congress has a bigger role to play in ensuring that bailout and bankruptcy are not words the American people get used to hearing. We owe at least that much to the people who put us here.

The plan developed this weekend puts taxpayer dollars at risk with little or no benefit to those who pay the taxes, and I stand here today to firmly oppose it.

The Federal Deposit Insurance Corp. is a likely candidate to seek a taxpayer-funded "loan" or bailout from the government. This is particularly worrisome, given the fact that the FDIC exists for the sole purpose of insuring the deposits in our Nation's banks. If the FDIC's insurance fund continues to slip as bank failures persist, we may be facing another Treasury rescue.

#### WALL STREET BAILOUT

The SPEAKER pro tempore. The Chair recognizes the gentleman from California (Mr. SHERMAN) for 5 minutes.

(Mr. SHERMAN asked and was given permission to revise and extend his remarks.)

Mr. SHERMAN. Let me join the bipartisan chorus of skeptical voices about this \$700 billion bailout.

We live in an era of great concentration of power in the Executive Branch and great concentration of wealth on Wall Street. Today, we are asked to approve the greatest power grab any executive has ever asked for and the greatest transfer of wealth Wall Street could imagine. \$700 billion is supposed to be given to the administration, and they will give it to Wall Street.

They are going to buy the worst of the worst assets in the back of any investment bank's closet. They can decide what to pay. They can buy from this one and not that one. They can have as much politics and as much cronyism as they are able to conceal, and there will be no oversight. So, they can conceal a lot. No standards, no accountability. They can pay any price to any person for any toxic asset, and they can refuse to pay any price to any person for any toxic asset.

This \$700 billion is on top of the Fannie and Freddie Mac bailouts, which were not bailouts so much of those entities. Those entities are really now part of the government. They were bailouts of the Wall Street investors in the bonds that had been guaranteed by Freddie and Fannie.

So we have already transferred hundreds of billions of dollars to Wall Street; we are now told to do \$700 billion. And be sure, if we do the \$700 billion now, they will be back for a few hundred billion in a while and a few hundred billion beyond that.

The truth is we don't know. The truth is they don't know. If we pass this bill, Wall Street could be sagging in a few weeks anyway. If we don't pass this bill, Wall Street could rebound by the end of the year. No one can make your 401(k) safe. No one can tell you whether your 401(k) will be safe regardless of whether we pass this bill or not. The only thing that is certain is that if we pass this bill, Wall Street executives will be happy.

This bill allows whatever money we give to a Wall Street firm, they can invest it overseas the next day. And if a

foreign entity has invested in these bonds, these toxic assets, they don't get bailed out by their own government; they can sell those bonds to a U.S. entity on Monday, and the taxpayer can be stuck with these toxic assets by Tuesday.

We are told we are going to get regulatory and corporate governance reform next year; but this bill does not include a fast track provision to assure that serious proposals are considered, particularly when they are subject to filibuster in the Senate. Why no fast track for every kind of regulatory and corporate governance reform?

The administration was gagged kicking and screaming into providing \$3 billion of help to home owners who face troubled loans. They want over \$1 trillion for Wall Street. That shows you the ratio of their compassion.

There is nothing in this proposal from the administration to limit executive compensation. So when we pay \$1 billion to a Wall Street firm, the next day they can use that money to hand out huge and enormous bonuses to their executives. I would propose that we have a 50 percent surtax on the executive compensation paid to the executive of any bailed out entity, starting with Bear Stearns and Fannie and Freddie and AIG, and continuing through those who benefit from this bill.

We clearly need a stimulus, at least a well-crafted stimulus program.

And, finally, why should the Department of the Treasury have total carte blanche? We should require that every major contract entered into under this bill and every purchase of toxic assets be approved in advance by the GAO; otherwise, this is just a license to the Treasury to hand out money in return for trash, cash for trash, and they get to decide how to do it.

If you are skeptical about this bill, please meet with me and others at 2:30 today in Room 2220, that is 2220 at 2:30, and let's discuss how we can make a bill that reflects American values and not Wall Street values.

#### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,  
HOUSE OF REPRESENTATIVES,  
Washington, DC, September 19, 2008.

Hon. NANCY PELOSI,  
The Speaker, The Capitol, House of Representatives, Washington, DC.

DEAR MADAM SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on September 19, 2008, at 12:24 p.m.:

That the Senate passed S. 531.  
That the Senate passed S. 2606.

With best wishes, I am  
Sincerely,

LORRAINE C. MILLER,  
Clerk of the House.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 10 o'clock and 48 minutes a.m.), the House stood in recess until noon.

□ 1200

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. CAPPS) at noon.

#### PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

God, our Savior and Guide, over this weekend Your people gathered for public worship. Communal prayer teaches us to live with grateful hearts, even in tense and depressing times. We thank You, Lord, for the gifts of family, the benefits of daily work and the freedoms of this Nation.

As Congress assembles for another week, may our prayer together turn our hearts from self-seeking to a true awareness of our communal sharing in Your goodness and the necessary efforts to protect our national interests and clear the way to economic stability for all.

May Your holy will be accomplished through just legislation and give You glory, now and forever.

Amen.

#### THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

#### PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from California (Mr. FILNER) come forward and lead the House in the Pledge of Allegiance.

Mr. FILNER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

#### TAXPAYERS SACRIFICE ALL AND RECEIVE NOTHING

(Mr. STEARNS asked and was given permission to address the House for 1 minute.)

Mr. STEARNS. Madam Speaker, the title of my 1-minute is called "Taxpayers Sacrifice All and Receive Nothing."

The plan that developed this weekend for a comprehensive bailout of private sector financial institutions put tax-

payers at risk with little or no benefit to those who pay the taxes.

This plan will put taxpayers at a risk for losses that belong to those companies that recklessly sought profits, profits for the stockholders and executives through dividends, salaries, bonuses and presumed stock appreciation. Instead, taxpayers who assume this risk should also enjoy an equity premium that goes beyond the return of their funds with interest for this bailout.

The taxpayers, after being awarded interest from their funds, as if they had invested in bonds, should have warrants as an equity kicker to sweeten their deal, giving them premium for their risk. Any institutional lender would demand as much and more. In this way, the taxpayers could share in the upside success of the companies that they rescue.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Record votes on postponed questions will be taken after 6:30 p.m. today.

#### COMMENDING THE HONOR FLIGHT NETWORK

Mr. FILNER. Madam Speaker, I move to suspend the rules and agree to the resolution (H. Res. 1287) commending the Honor Flight Network, its volunteers, and donors, for enabling World War II veterans to travel to our Nation's capital to see the World War II Memorial created in their honor.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 1287

Whereas in 2004, nearly 60 years after World War II ended, veterans of that war and all those who supported the war effort at home received recognition of their service, sacrifice, and victory through the dedication of a national World War II Memorial located on the National Mall in Washington, District of Columbia;

Whereas many veterans of World War II are now in their 80s and 90s, and are unable, physically or financially, to visit our Nation's capital to see the World War II Memorial for themselves;

Whereas Earl Morse of Ohio and Jeff Miller of North Carolina created the Honor Flight Network to enable World War II veterans to travel to the Memorial;

Whereas now operating in communities in over 30 States, the Honor Flight Network is a grassroots, nonprofit organization that uses commercial and chartered flights to send veterans on an all-expenses paid trip to Washington, District of Columbia;

Whereas the Honor Flights are staffed by volunteers and funded by donations;

Whereas former Senator Bob Dole, himself a wounded veteran of World War II, led the